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FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 8315
INFO AMCONSUL IBADAN
AMCONSUL KADUNA

C O N F I D E N T I A L SECTION 1 OF 3 LAGOS 14151

E. O. 11652: GDS
TAGS: PFOR, ECON, PINR, PINS, PINT, NI
SUBJ: POLITICAL/ECONOMIC ASSESEMENT OF NIGERIA

REF : (A) STATE 294631, (B) STATE 302418, (C) LAGOS 14013

THERE FOLLOWS TEXT OF ASSESSMENT CONFERENCE CABLE REQUESTED IN
REFS A AND B AND SUMMARIZED DECEMBER 15 IN REF C.

1. ASSESSMENT CONFERENCE HELD IN LAGOS DECEMBER 6 WAS ATTENDED BY
AMBASSADOR, COUNTRY TEAM, AF/W DIRECTOR SMITH, IBADAN AND KADUNA
CONSULS AND BPAO'S. CONFEREES FOUND HEARTENING IMPROVEMENT IN
U.S.-NIGERIAN RELATIONS OVER CONDITIONS IN SPRING AND SUMMER.
FMG CONTACTS ARE MORE FRIENDLY, PRODUCTIVE, FORTHCOMING, AND USG
VISITORS TO STATES ARE WELCOMED WITH ENTHUSIASM. AFTER ANGOLA
CONFRONTATION AND TRAUMA OF LAST FEBRUARY AND ITS AFTERMATH, EMBASSY
PLAYED IT COOL, REFUSING TO RESPOND IN KIND TO NIGERIAN
PROVOCATIONS. THIS RESTRAINT PAID OFF. ALL THROUGH THE DIFFICULT
PERIOD, NEW ECONOMIC/COMMERCIAL LINKS WERE FORMING. NOW WITH THAW
IN POLITICAL RELATIONS, PROSPECTS ARE ENCOURAGING IN THESE
AND OTHER AREAS, ALTHOUGH NO COUNTRY CAN COUNT ON SMOOTH SAILING
IN NIGERIA. FMG IS ENCOURAGED BY CARTER ELECTION TO THE EXTENT
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OF COURTING POSSIBLE DISAPPOINTMENT OVER HOW FAST THE NEW ADMIN-
ISTRATION CAN MOVE. AT THE SAME TIME OTHER NIGERIANS INCLUDING
SHADOWY POWERS ON SMC (SEE PARA 4A BELOW), REMAIN DEEPLY SUSPICIOUS
OF U.S. POLICIES AND PROGRAMS IN AFRICA, MAY BE UNWILLING GIVE
NEW U.S. ADMINISTRATION TIME TO FORMULATE ITS OWN POSTURE, AND
MAY IN FACT BE FUNDAMENTALLY OPPOSED TO IMPROVED RELATIONS.

A. IN ANSWER TO PARA 2C REF A:

- (1) SPECIFIC FMG EXPECTATIONS OF '77 USG POLICY WILL DOUBTLESS INCLUDE MORE FORTHRIGHT STAND ON SOUTHERN AFRICA ISSUES AND IN FAVOR OF LIBERATION MOVEMENTS. THESE EXPECTATIONS COULD INCLUDE:
 - (A) INCREASED U.S. PRESSURE ON SOUTH AFRICA TO TAKE CERTAIN ACTIONS IN ZIMBABWE AND NAMIBIA.
 - (B) U.S. ENACTMENT OF TAX PENALTIES OR OTHER INVESTMENT DISINCENTIVES AGAINST U.S. COMPANIES DOING BUSINESS IN OR WITH SOUTH AFRICA, NAMIBIA AND RHODESIA. DEMONSTRATION IN OTHER WAYS OF USG WILLINGNESS SUPPORT STATED ABHORRENCE OF APARTHEID WITH ACTION- E.G., CESSATION OF ALL COLLABORATION IN NUCLEAR ENERGY MATTERS.
 - (C) REPEAL OF BYRD AMENDMENT.
 - (D) SUPPORT AT UN - OR AT LEAST ABSTENTION - ON MANDATORY SANCTIONS AGAINST SOUTH AFRICA.
 - (E) NO AID OR OTHER SUPPORT TO INDEPENDENT HOMELANDS.
- (2) ANOTHER EXPECTATION IS FOR A MORE SYMPATHETIC USG VIEW OF DEVELOPING WORLD DEMANDS FOR IMPROVED TERMS OF TRADE.

B. INITIATIVES FMG MAY TAKE WHICH WOULD AFFECT U.S.-NIGERIAN RELATIONS. RANKED IN DECREASING ORDER OF LIKELIHOOD:

- (1) FMG LOAN REQUESTS TO IBRD, IMF OR EXIM BANK (SEE PARA 7B BELOW); FMG REQUESTS FOR SKILLED MANPOWER, FOR TRAINING OF TECHNICIANS (SEE PARA 7E, BELOW).
- (2) INITIATION OF A NIGERIAN NUCLEAR POWER PROGRAM.
- (3) FMG PRESSURES AGAINST OIL COMPANIES. THESE COULD START WITH FMG OFFER OF NEW PRODUCTION INCENTIVES WHICH COMPANIES MIGHT REGARD AS INSUBSTANTIAL AND

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DECEPTIVE. FMG MIGHT USE COMPANY REJECTIONS OF OFFER AS EXCUSE FOR RETALIATION, REVERSION OF CONCESSIONS TO NATIONAL OIL COMPANY, TURNOVER OF EXPLORATION AND PRODUCTION TO NON-EQUITY CONTRACTORS.

- (4) FURTHER "CLARIFICATION" OF INDIGENIZATION DECREE WHICH WOULD WORSEN CLIMATE FOR FOREIGN INVESTMENT.
- (5) PRESSURES AGAINST OR EXCLUSION FROM NIGERIA OF COMPANIES DOING BUSINESS WITH SOUTH AFRICA.
- (6) DESPATCH OF NIGERIAN EXPEDITIONARY FORCE (MAXIMUM OF ONE BATTALION) TO BUTTRESS MOZAMBIQUE AGAINST RHODESIAN ATTACKS. ARMS AND/OR TROOPS TO NAMIBIA.

2. THERE ARE FEW PRESSURE POINTS AVAILABLE TO USG IN DEALING WITH FMG. IT WOULD BE HELPFUL IN EXERCISING LEVERAGE WITH NIGERIA IF FOR EXAMPLE NIGERIA AIRWAYS HAD A LUCRATIVE FLIGHT TO NEW YORK AND NIGERIANS WERE THUS INVOLVED IN U.S. IN A WAY THAT WOULD MAKE THEM MORE HESITANT TO TAKE ACTION AGAINST U.S. INTERESTS FOR FEAR RETALIATION. NIGERIA'S REPORTED

INTEREST IN ESTABLISHING A CONSULATE IN CHICAGO MAY PROVIDE POTENTIAL INFLUENCE. DIPLOMATIC REPRESENTATIONS ON UN ISSUES, OPEC AND OTHER MULTILATERAL AFFAIRS ARE OFTEN DISAPPOINTING; SOME CAN BE COUNTERPRODUCTIVE, PUSHING FMG TO EVEN MORE UNWELCOME STANCE. WHETHER AND/OR HOW TO MAKE REPRESENTATIONS SHOULD BE DECIDED ON CASE-BY-CASE BASIS. SOMETIMES THE PITCH IS USEFUL IN SMOKING OUT WHAT REALLY MOTIVATES FMG. FOR EXAMPLE, ON KOREA WE EVENTUALLY ELICITED ESSENCE OF THEIR OBJECTIONS - OUR TROOP PRESENCE. THE PRESSURE OF SUCH REPRESENTATIONS WILL IMPRESS UPON FMG THAT THEY ARE NOW PLAYING IN AN ADULT WORLD, WILL OBLIGE THEM TO GET THEIR FACTS TOGETHER, AND PERHAPS INCREASE THEIR CAPACITY TO MAKE INDEPENDENT JUDGEMENTS WHICH DO NOT CONFORM TO KNEE-JERK THIRD WORLD RESPONSES.

3. AS EMBASSY HAS STRESSED BEFORE, IT WILL BE IMPORTANT TO COMMUNICATE WITH FMG IN WAYS THAT SHOW WE TAKE THEM SERIOUSLY AND APPRECIATE NIGERIA'S VIEWS AND IMPORTANCE.
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RECENT MESSAGES FROM SECRETARY TO OBASANJO HAVE BEEN MOST HELPFUL IN THIS REGARD, AS HAVE MEETINGS BETWEEN GARBA AND SECRETARY, GARBA AND SCHAUFEL, AND REINHARDT AND OBASANJO. WE SHOULD KEEP FLOW OF HIGH-LEVEL COMMUNICATIONS GOING - PROTOCOLAIRE AS WELL AS SUBSTANTIVE.

4. REGARDING SITUATION IN NIGERIA GENERALLY, CONFERENCE REACHED FOLLOWING CONCLUSIONS ON POLITICAL DYNAMICS WITHIN SMC AND OTHER NATIONAL-LEVEL DECISION-MAKING GROUPS (REF A, PARA 2A):

- A. SMC MEMBERS ARE STILL CONCERNED WITH INTERNAL SECURITY, THEIR PERSONAL STATUS AND STAKE, AND THEIR PERSONAL SAFETY. THOSE CONNECTED WITH NEW NIGERIAN SECURITY ORGANIZATION (NSO) HAVE PARTICULAR INFLUENCE, INCLUDING POWER TO ENFORCE A CERTAIN DEGREE OF CONFORMITY ON THEIR ASSOCIATES. SENSITIVITY OVER RANK IS STILL STRONG BETWEEN BRIGADIER YAR'ADUA AND LT. GENERAL DANJUMA, THE LATTER REFUSING TO ACKNOWLEDGE THAT HE IS THE JUNIOR MAN'S SUBORDINATE IN THE HIERARCHY. DANJUMA'S RECENT TRIPS TO SOVIET UNION AND UK (HE DEPARTED DECEMBER 6) MAY INDICATE HE IS REGAINING SOME OF HIS PRE-COUP INFLUENCE.
- B. MISSION KNOWS LITTLE ABOUT ACTUAL DECISION-MAKING PROCESS WITHIN SMC. INNER CABINET, WHICH WAS MAJOR DECISION MAKING BODY DURING MUHAMMED ADMINISTRATION, NOW SEEMS OFTEN TO GIVE WAY TO AD HOC SYSTEM WHEREBY DECISIONS ARE MADE BY OBASANJO AND YAR'ADUA, PLUS WHICHEVER OFFICER

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OR COMMISSIONER IS MOST DIRECTLY INVOLVED. THIS APPEARS TO BE PARTICULARLY TRUE OF MILITARY MATTERS SUCH AS PURCHASES AND CONTRACTS. PERSONALITIES AND PERSONAL RELATIONSHIPS PLAY LARGE ROLE IN THIS PROCESS.

C. SMC CONTINUES TO BE SPLIT INTO TWO MAJOR FACTIONS:

"PROGRESSIVE NATIONALISTS" LED BY YAR'ADUA AND INCLUDING ABDULLAHI MOHAMMED (NSO), BUHARI (PETROLEUM) AND BABANGIDA (ARMY DIRECTOR OF ARMOUR), AND "PRAGMATIC NATIONALISTS," LED BY OBASANJO AND INCLUDING SENIOR OFFICERS SUCH AS ADAMU (2D DIVISION GOC) AND OLULEYE (ESTABLISHMENTS). AIR FORCE CHIEF YISADOKO IS STRONG, INDEPENDENT PERSONALITY, AS ARE DANJUMA AND AKINRINADE (1ST DIVISION GOC). THESE THREE FREQUENTLY SIDE WITH PRAGMATISTS. OTHERS, SUCH AS GARBA AND WUSHISHI (4TH DIVISION GOC), OSCILLATE BACK AND FORTH SEEMING TO TRY TO CURRY FAVOR WITH BOTH FACTIONS. GARBA'S OFTEN ERRATIC STEWARDSHIP AT MEA KEEPS HIM IN DIFFICULTIES WITH HIS SMC COLLEAGUES. OBASANJO OFTEN TREATS HIM WITH AMUSED DISDAIN.

5. CIVILIAN-MILITARY RELATIONS (REF A, PARA 2B):

A. CIVILIAN-MILITARY RELATIONSHIP IS ONE OF UNEASY MUTUAL TOLERATION. CIVILIANS RESENT MILITARY HIGH-HANDEDNESS;

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E.G., ORDER AUTHORIZING MILITARY TRAFFIC CONTROLLERS TO WHIP OFFENDING MOTORISTS IS UNPOPULAR (BUT SO ARE LAGOS TRAFFIC JAMS). IN SPITE OF COMMANDERS' EFFORTS CONTROL AND PUNISH TROOPS' EXCESSES, ILL-FEELINGS OCCASIONALLY

ERUPT IN BRAWLS IN WHICH PEOPLE ARE KILLED OR INJURED. DIVISION COMANDERS, PARTICULARLY AKINRINADE, ARE ON THE ROAD CONSTANTLY, CONFERRING WITH BRIGADE COMMANDERS, ATTEMPTING TO HEAD OFF POTENTIAL DISCONTENT IN SUBORDINATE UNITS, AND DRUMMING IN THE NEED TO MAINTAIN AMICABLE MILITARY-CIVILIAN RELATIONS. DIVISION COMMANDERS TRAVEL FREQUENTLY TO LAGOS FOR SMC MEETINGS; ADAMU, HEADQUARTERED IN IBADAN, IS IN LAGOS PRACTICALLY EVERY WEEK. GOVERNORS, SUBORDINATES TO SMC, ARE ALSO FREQUENTLY IN LAGOS FOR MEETINGS OF NATIONAL COUNCIL OF STATES. ONE FEELS THE PULL OF THE CENTER.

B. THERE IS LIKELY TO BE POPULAR DISAPPOINTMENT AS DEVELOPMENT PLANS AND OTHER AMBITIOUS SCHEMES FALL SHORT OF EXPECTATIONS. UNIVERSAL PRIMARY EDUCATION (UPE) HAS GOT OFF TO AN ESPECIALLY SHAKY START. PUBLIC UTILITY AND HOUSING PROJECTS ALL OVER THE COUNTRY ARE LAGGING BADLY. INFLATION, TO SOME EXTENT A CLASSIC CASE OF SUPPLY AND DEMAND, COULD CAUSE FMG A GREAT DEAL OF TROUBLE, ESPECIALLY SINCE IT IS AGGRAVATED BY IMPORT BANS AND REGULATIONS THAT DISPLAY MILITARY'S PENCHANT FOR SIMPLISTIC, SPUR-OF-THE-MOMENT DECISIONS. PRICE OF GARI, BASIC FOODSTUFF IN SOUTH, IS UP 20PC SINCE JULY. WORLD BANK ESTIMATES LOW-INCOME MARKET BASKET INFLATION AT 40PC ANNUALLY. INFLATION MAY ACCOUNT FOR NOTICEABLE UPSURGE IN LOW LEVEL CORRUPTION.

C. WITH REGARD TO LOCAL GOVERNMENT AUTHORITY (LGA) ELECTIONS AND RETURN TO CIVILIAN RULE, SUSPICION IS COMMON THAT AFTER TURNOVER TO CIVILIANS IS COMPLETE, MILITARY WILL SNATCH CONTROL BACK ON SLIGHTEST PRETEXT. CIVILIANS PERCEIVE THAT THERE ARE PLENTY OF AMBITIOUS YOUNG OFFICERS WHO WANT THEIR TURN AT TROUGH. PERHAPS BECAUSE OF THIS SKEPTICISM, BUT ALSO BECAUSE THEY

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ARE SO WRAPPED UP IN MAKING MONEY, SOME OLD TIME POLITICIANS HAVE NOT YET DEVOTED THEMSELVES SERIOUSLY TO PREPARING FOR A RETURN TO POLITICS. OTHERS LIKE AWOLowo, AMINU KANO AND INUWA WADA ARE HARD AT IT ALREADY. A NEW GENERATION OF POLITICIANS HAS BEEN SLOW TO IDENTIFY ITSELF BUT CAN BE EXPECTED TO BE INCREASINGLY ACTIVE IN THE MONTHS AHEAD. POTENTIAL FOR SERIOUS CIVILIAN-MILITARY FRICTION EXISTS IF THERE IS SLOWDOWN OR SNAG IN TIMETABLE FOR RETURN TO CIVILIAN RULE. CONVERSELY, OVERLY ANXIOUS WOULD-BE POLITICOS COULD CAUSE AN UNEASY FMG TO CRACK DOWN ON POLITICAL ACTIVITY, LEADING IN TURN TO HEIGHTENED ANTI-REGIME SENTIMENT. THIS DANGER WILL INCREASE THE CLOSER ONE COMES TO THE FORMATION OF POLITICAL PARTIES AND CAMPAIGNS. AT SAME TIME, THERE IS A SMALL MINORITY WHO BELIEVE ONLY THE

MILITARY CAN GOVERN THIS COUNTRY AND WHO WILL BE SORRY
TO SEE THE ARMED FORCES TURN OVER
EXECUTIVE POWER TO CIVILIANS.

6. OTHER POLITICAL DEVELOPMENTS INCLUDE:

- A. RELATIVE CALM ON LOCAL GOVERNMENT FRONT, AS BALLOTING FOR FINAL ROUNDS OF ELECTION TO LOCAL COUNCILS APPROACHES (DECEMBER 28). EMIRS SETTLED FOR TWO-THIRDS ELECTED, ONE-THIRD APPOINTED LGA MAKEUP, BELIEVING THEY COULD MAINTAIN CONTROL BECAUSE MANY OF THEIR BOYS WOULD BE RUNNING UNOPPOSED. THEY WERE RIGHT; THOUSANDS OF ELECTORS IN NORTHERN STATES WERE RETURNED UNOPPOSED.
- B. CONTINUED NORTH-SOUTH TENSIONS. THESE HAVE BEEN SPOTLIGHTED BY CONTROVERSY OVER UNIVERSITY ADMISSIONS POLICIES. NORTHERNERS INSIST THAT THEY SHOULD GET UNIVERSITY PLACES IN PREFERENCE TO BETTER-QUALIFIED SOUTHERNERS; OTHERWISE NORTH WILL NEVER CATCH UP TO SOUTH. TENSION IS ALSO REVEALED IN NORTHERN PREFERENCE FOR HIRING EXPATRIATE EXPERTS RATHER THAN YORUBAS OR IBOS. INDIAN, PAKISTANI AND EGYPTIAN CONTRACT CIVIL SERVANTS

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ARE PROMINENT ALL OVER NORTH.

7. ECONOMIC DEVELOPMENTS:

- A. DEVELOPMENT PLAN HAS RUN INTO PROBLEMS. IMPLEMENTATION IS A YEAR BEHIND, AND THE ADDITION OF SEVEN NEW STATES HAS SCRAMBLED APPORTIONMENTS. COSTS HAVE INCREASED ABOUT 100PC. BUDGET OF REVISED FMG PLAN, SOON TO BE PRINTED, WILL BE INCREASED; CERTAIN PROJECTS WILL BE SCRAPPED -SIMPLY DISAPPEARING FROM SCRIPT. LNG PLANTS STILL IN PLAN, BUT EXPORT REFINERIES PRESUMABLY WILL BE CUT. THE NEW CAPITAL DEVELOPMENT PROJECT HAS BEEN ADDED.
 - B. MONEY INCREASINGLY CRITICAL FACTOR IN FMG PLANS. ALREADY THERE ARE KEY PROJECTS - RAILROADS IN PARTICULAR - FOR WHICH NIGERIA WILL HAVE TO SEEK OUTSIDE FINANCING. BEGINNING THIS YEAR NIGERIA WILL RUN DEFICIT IN CURRENT ACCOUNT. AMONG IMPLICATIONS: NIGERIA WILL BECOME MORE ENMESHED IN WORLD WEB OF INTERDEPENDENCE THAN SHE HAS BEEN HERETOFORE, AND THIS WILL BE IN U.S. INTEREST (SEE PARA 2 ABOVE). NIGERIA SHOULD BE GOOD CUSTOMER FOR EXIM LOANS.
 - C. INDIGENIZATION FRONT IS RELATIVELY QUIET FOR THE MOMENT AFTER COMMOTION OVER BANK TAKEOVERS. COMPANIES NOT YET ESTABLISHED HERE ARE INTERESTED AN
- MAKING INQUIRIES
- ABOUT INVESTING. EMBASSY BELIEVES IT UNLIKELY FMG WOULD BLOCK REPATRIATION OF PROFITS, EVEN CONSIDERING IMPENDING CURRENT ACCOUNT DEFICIT. FMG IS PAINFULLY

AWARE OF SMALLNESS OF DOMESTIC INDUSTRIAL BAE, AND TENDS
WELCOME FOREIGN INVESTMENT IN ORDER TO BUILD IT UP.
D. INFLATION IS RUNNING 40 TO 50 PERCENT A YEAR (SEE PARA
5B ABOVE.).

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E. PUBLIC AND PRIVATE SECTORS URGENTLY NEED SKILLED
PEOPLE AND MANAGERS WHO CAN MAKE THINGS MOVE.
AMERICAN PRIVATE ENTITIES, UNIVERSITIES, LABOR
UNIONS AND USG COULD MAKE INITIAL CONTRIBUTION TO
NIGERIAN DEVELOPMENT BY PROVIDING THESE PEOPLE.
MAJOR CONSTRAINT IS STATES' INABILITY AND FMG'S
RELUCTANCE PAY SALARIES THAT QUALIFIED PEOPLE DEMAND.
LOW SALARIES ARE ALSO DISINCENTIVE TO U.S.-TRAINED
NIGERIANS CONTEMPLATING RETURN HOME.
F. EMBASSY ECON/COMM PROGRAM IS AGGRESSIVE AND AS HIGH
PROFILE AS APPROPRIATE. CONTINUED IMPROVEMENT IN U.S.
TRADE AND INVESTMENT POSITION LARGELY RESTS WITH U.S.
PRIVATE ENTERPRISE TO TAKE INTEREST IN NIGERIA AND
WITH NIGERIANS TO ENCOURAGE SUCH INTEREST. (SEE
PARA 7C ABOVE).

8. PROSPECTS FOR ACHIEVING SIGNIFICANT LEVEL OF COUNTRY-
FINANCED TECHNICAL COOPERATION AND CONSEQUENCIES FOR
ORGANIZATION OF U.S. RESOURCES (REFTEL A, PARA 2D.)
ARE UNCERTAIN. WE HAVE MADE AND WILL CONTINUE VIGOROUS
EFFORTS TO INFORM STATE AND FEDERAL OFFICIALS AND ELICIT
PROJECTS PROPOSALS. SEVERAL TENTATIVE PROPOSALS HAVE
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BEEN GATHERED AND SUBMITTED TO AID/W FOR REVIEW, BUT MORE DETAILED AND DEFINITE COMMITMENT FROM NIGERIANS WILL BE NECESSARY BEFORE USG CAN MAKE ANY FINAL DETERMINATION ON PROJECTS. FUTURE LEVEL OF ACTIVITY HINGES ON NIGERIAN ABILITY TO SHAKE OFF INERTIA, DECIDE ON SPECIFICS ON PROJECTS, AND STEER REQUESTS SUCCESSFULLY THROUGH NIGERIAN STATE AND FEDERAL BUREAUCRACIES. IF THIS IS ACHIEVED, PROJECTS MUST THEN MEET USG CRITERIA FOR APPROVAL. AT THIS TIME, WHEN PROMOTIONAL AND EDUCATIONAL ASPECTS OF PROGRAM BEING STRESSED, WE DO NOT FORESEE SIGNIFICANT LEVEL OF ACTIVITY DURING NEXT 6-8 MONTHS. RESOURCES AVAILABLE TO US ARE NOW RPT NOW SUFFICIENT.

9. RELATIONS WITH MEDIA AND UNIVERSITIES: MEDIA'S ADMIRATION FOR U.S. PRESS FREEDOM IS BEGINNING PAY DIVIDENDS. AS DEBATE ON EW NIGERIAN CONSTITUTION PROGRESSES, JOURNALISTS HOPE TO DRAW AMMUNITION FROM U.S. EXPERIENCE TO BOLSTER PRESS FREEDOM PROVISIONS OF DRAFT CONSTITUTION. ATMOSPHERE UTLUNIVERSITIES IS CORDIAL. BPAO'S ARE NO LONGER ENCOUNTERING RELUCTANCE TO SCHEDULE SPEAKERS AS WAS CASE A FEW MONTHS AGO. UNIVERSITY PEOPLE MAKE KNOWN THEIR DIFFERENCES WITH U.S. POLICY, BUT ARE WILLING TO DISCUSS. UNIVERSITIES AND STUDENTS GENERALLY ARE HUNGRY FOR US TO PAY THEM ATTENTION.

10. CONCLUSION: NIGERIAN RECOVERY FROM TRAUMA OF MUHAMMED ASSASSINATION IS CONTINUING, BUT REGIME IS STILL FAR FROM STABLE. THERE IS CONTINUING, BUT REGIME IS STILL FAR FROM STABLE. THERE IS CONTINUING UNCERTAINTY THAT PRESENT LEADERSHIP WILL BE AROUND TO HAND OVER POWER TO CIVILIANS THREE YEARS HENCE. AMONG FACTORS CONTRIBUTING TO STABILITY: MUHAMMED LEGACY OF ACTIVE ADMINISTRATION AND PROBLEM SOLVING; MILITARY'S FIRM ADHERENCE TO SCHEDULE FOR RETURN TO CIVILIAN RULE; MILITARY'S AWARENESS THAT ANOTHER COUP WOULD DESTROY CREDIBILITY OF REGIME; CIVIC CONSCIOUSNESS PROMOTED BY CONSTITUTION DEBATE. ELITE HAVE A STATE IN PRESENT SOCIO-ECONOMIC SYSTEM. THEY SHOULD BE ABLE KEEP RADICALS ON FRINGE. FACTORS MILITATING AGAINST LONGEVITY OF OBASANJO REGIME:
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- A. INFLATION.
- B. FAILURE OF GOVERNMENT TO MEET PRPULACE'S EXPECTATIONS OF IMPROVED LIVING CONDITIONS.
- C. IGRRUPTION (OBASANJO IS RUMORED ON THE TAKE WITH JULIUS BERGER, YAR'ADUA WITH GERMAN NUCLEAR CONTRACTORS).
- D. DEMOBILIZATION OF ARMY, IF NOT HANDLED CAREFULLY.

11. IN FOREIGN POLICY, FMG ENJOYS ITS INCREASING ROLE ON
WORLD SCENE, TENDS TO BELIEVE FORCE MAY BE ONLY EVENTUAL
SOLUTION PROBLEMS OF SOUTHERN AFRICA, BUT IS
WILLING GIVE NEGOTIATIONS A CHANCE AND DOES NOT
RELISH PROSPECT OF ANOTHER ANGOLA-TYPE CIVIL WAR IN ZIMBABWE
OR NAMIBIA. NOR WOULD FMG BE HAPPY WITH LIBERATION MOVEMENTS'
CALL FOR EXTRA-AFRICAN MANPOWER SUPPORT. KEY ELEMENT IN BETTER
U.S.-NIGERIAN RELATIONS WILL BE CONTINUED NIGERIAN DESIRE FOR
U.S. EXPERTISE, U.S. ADJUSTMENT TO INDIGENIZATION REQUIREMENTS,
DILIGENT AND PATIENT PURSUIT BY U.S. COMPANIES OF THE SIZABLE
ECONOMIC OPPORTUNITIES THAT NIGERIA CONTINUES TO OFFER, AND
AN EARLY AND CREDIBLE COMMITMENT BY THE CARTER ADMINISTRATION
TO U.S. ACTION ON BEHALF OF MAJORITY RULE IN SOUTHERN AFRICA.
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